

U.S. ENVIRONMENTAL PROTECTION AGENCY

NATIONAL AND GOVERNMENTAL ADVISORY COMMITTEES to the
U.S. REPRESENTATIVE to the
COUNCIL OF THE COMMISSION FOR ENVIRONMENTAL COOPERATION

Meeting Summary

October 20–21, 2005

**Embassy Suites Hotel
601 Pacific Highway
San Diego, California**

FINAL

Note: The U.S. National and Governmental Advisory Committees (NAC/GAC) are federal advisory committees chartered by Congress, operating under the Federal Advisory Committee Act (FACA; 5 U.S. C., App. 2). The committees provide advice to the Administrator of the U.S. Environmental Protection Agency on the implementation of the North American Agreement on Environmental Cooperation. The findings recommendations of the committee do not represent the views of the Agency, and this document does not represent information approved or disseminated by EPA.

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MEETING SUMMARY
DRAFT

GAC members present: Chairperson Placido dos Santos, Charles “Chip” Collette, John Duffy, Ronald J. Dutton, Ph.D., Robert Huston, Sarah D. Lile, Ricardo Martinez, Stephen Mahfood, Robert Scott, Carola G. Serrato, Ellen A. Smyth, Colin Soto, and Jeffrey N. Wennberg.

NAC members present: Chairperson Dolores M. Wesson, Dennis J. Aigner, Ph.D., Karen M. Chapman, Iracema Coronado, Adam Greene, Richard J. Guimond, Carlos Perez, and Chris A. Wold.

EPA staff present: Oscar Carrillo (DFO), Rafael DeLeon, Jerry Clifford, Douglas Wright, and Nadtya Ruiz

Others: Jane Gardner, chairperson (JPAC)

THURSDAY, OCTOBER 20, 2005

Welcome, Introductions, and Approval of Agenda

(8:42 AM)

Mr. Carrillo, Designated Federal Officer (DFO) for NAC and GAC brought the meeting to order, welcoming committee members and others to the San Diego meetings. He announced EPA election of two chairs, *Dolores Wesson*, University of California, for a two-year term as chair of NAC, replacing *John Knox* of Pennsylvania State University, and *Placido dos Santos* of the Arizona Department of Environmental Quality for a two-year term as chair of GAC, replacing *Stephen Mahfood*, former director of the Missouri Department of Natural Resources. Mr. Carrillo thanked both Mr. Knox, who could not attend the meeting and Mr. Mahfood for their service to NAC and GAC respectively. Mr. Carrillo also introduced Rafael DeLeon, the new office director for EPA’s Office of Cooperative Environmental Management (OCEM). He is an attorney with extensive experience in the Departments of Labor and Justice and about 22 years at EPA.

After introductions of committee members and other representatives, Mr. Carrillo commented that the geographic and sector diversity of the membership would enrich NAC and GAC discussions and their advice. Newly appointed members of GAC include: *Bob Scott*, Director, Air Resources Division, New Hampshire Department of Environmental Services; *Carola Serrato*, Executive Director, South Texas Water Authority; *John Duffy*, Borough Manager, Matanuska-Susitna Borough, Alaska; *R. J. Dutton*, Director, Office of Border Health, Texas Department of State Health Services; *Ellen Smyth*, Director of Environmental Services, City of El Paso; and *Jeff Wennberg*, Commissioner of Environmental Conservation for the State of Vermont. Departing from GAC was *Bob Huston*, former chair of the Texas Commission on Environmental Quality. New NAC members include: *Karen Chap-*

man, Water & Wildlife Analyst, Environmental Defense in Austin, Texas; *Carlos Perez*, Director, Health, Safety & Environment, Latin American Region, Eastman Kodak Company; and *Chris Wold*, Lewis and Clark Law School. *Irasema Coronado*, Professor at the University of Texas at El Paso. *Glenn Prickett*, Senior-Vice President at Conservation International.

Mr. Mahfood asked members if the minutes accurately reflect what happened at the April 28–29, 2005 meeting. Calling them one of the finest summaries of committee work to date and hearing no objections, *Mr. Carrillo* said the minutes would stand as presented.

Mr. Mahfood, in closing remarks as GAC chair, noted that with new leadership and members, NAC and GAC now had the opportunity for serious implementation of the strategic plan developed in the past few years. The committees still confront roadblocks, both large and small, and some issues still need bilateral and trilateral resolution, but the new chairs and new members will provide excellent input on issues under NAC/GAC purview.

Mr. DeLeon also welcomed members of NAC and GAC, especially new ones, noting the importance of these meetings to the EPA Administrator. He extended special thanks to *Delores Wesson* and *Ricardo Martinez* for their assistance in meeting logistics and hospitality as well as *Jerry Clifford*, *Stephen Mahfood*, and *John Knox*, for their contributions to GAC and NAC and then presented *Mr. Mahfood* and *Bob Huston* with certificates of appreciation on behalf of EPA. *Mr. DeLeon* also welcomed the two incoming chairs.

Mr. Martinez briefly discussed meeting logistics and the field trip scheduled for Friday.

Mr. dos Santos asked members to suggest locations for the 2007 NAC/GAC meetings where members could learn more about local environmental issues. Noting that both NAC and GAC do not use Robert's Rules of Order and operate on consensus, he also asked members if they wished to change this approach; however, no one objected. *Mr. dos Santos* concluded by noting that his shift from member to chair of GAC will move him from an advocacy to procedural role.

Ms. Wesson asked members to look in their packets at the last advisory letters produced by NAC and GAC as samples of what they hope to produce by the end of the meeting.

Opening Remarks: Office of International Affairs
Jerry Clifford

Mr. Clifford welcomed *Mr. DeLeon*, complimenting the great team working for him and on other advisory groups. He said he looked forward to working to reenergize, focus, and extract the best from the minds, experience, and capability of NAC and GAC members. He also thanked *Mr. Mahfood* and *Mr. Knox*, congratulated *Mr. dos Santos* and *Ms. Wesson* on their new roles, and extended a welcome to new members. He noted that new member *John Duffy* was the first NAC/GAC member from Alaska, whose tribes represent nearly half those recognized in the United States. CEC had long wished to engage better with and con-

sider the concerns of indigenous peoples; an Alaskan representative will increase NAC-GAC understanding of Alaska-Canada concerns.

Mr. Clifford noted the previous day's announcement in Tijuana by Mexico's new Secretary of Environment for SEMARNAT, Secretary Luege, of the country's schedule for transition to low-sulfur fuel for both gasoline and diesel. For the past three years, EPA had worked with the SEMARNAT Secretary to convince Hacienda to commit money for conversion, particularly in the past year to deliver low-sulfur fuel on the border by 2007, when U.S. standards kick in. Mexico had at last succeeded in extracting a commitment from Hacienda to invest in converting its refineries and negotiated an agreement for PEMEX to purchase Hacienda's low-sulfur fuel for the border, delivering it by 2007. This came about for two reasons: first, the launching of the Security and Prosperity Partnership for North America in March led all three countries to agree that Mexico's transition to low-sulfur fuel was the single most important environmental goal for the country. Second, Dr. Mario Molina, who won a Nobel Prize in chemistry for work on CFCs and stratospheric ozone, helped build a cost-benefit analysis demonstrating the economic benefits of moving to this fuel, which helped convince Hacienda. Millions of Mexican and U.S. citizens on the border will benefit from what is the biggest public health decision by the Fox Administration in its six-year term.

Mr. Clifford then turned to discussing CEC and current deliberations of NAC and GAC. He hoped the field trip would give committee members a chance to talk with people on the ground about critical public health and environmental challenges. In the meetings, he wanted to focus on reforms that EPA is trying to institute, building on the Pueblo Declaration and the Ten-Year Review and Advisory Committee (TRAC), but most important, he wanted the committees' continued advice on engaging the private sector.

Because the United States assumed leadership of CEC this past year, EPA found itself working more on reforming how CEC does business, including budget management, publications, quality assurance procedures, and engagement of the private sector. EPA has also wanted consideration of the future role of working groups. The three parties had agreed at the last Council session to announce a specific initiative this year on private sector involvement. Since last June's CEC meeting, EPA had had conversations on all these issues at the General Steering Committee (GSC) level, coordinated by Sylvia Correa on the U.S. side with assistance from Nadtya Ruiz; however, EPA had not been able to get colleagues in Canada and Mexico to focus on these questions. For this reason, he said he would like a NAC-GAC deliverable on the private sector by next June's Council session. At that time, the three environment secretaries would join with key business leaders from major multinationals in announcing a specific initiative or initiatives to engage the private sector in building capacity in one or more business sectors in Mexico, which has the greatest need.

Mr. Clifford asked committee members what would motivate business to do something like this? Some kind of international North American recognition program or cost sharing with money cobbled together through a variety of mechanisms? For what specific sectors? EPA had interested the chairman of the Council for Environmental Quality in stimulating private sector involvement on greening supply chains internationally and saw opportunities for transfer of technology and business expansion to help U.S. businesses overseas.

Between now and the Council session, the three countries could engage on this in different ways. Mr. Clifford wanted the committees to identify businesses with a vested interest in Mexico. What would motivate them to announce a significant investment, collaboration, or partnership to build capacity in environmental public health and safety in Mexico?

Funding for CES was another significant issue that arose in the past few months. As Mexico heads into an election next year, the Congress, controlled by the opposition party, is constraining the flexibility of the Fox Administration to shift money to achieve results, because the Congress wants to show that the President's party does not know how to run the government. So, the administration does not know if it can fund CEC or its share of the Border Environmental Cooperation Commission. Secretary Luege, who is optimistic, should know within the next three weeks or so whether and how Mexico can meet these obligations. In response to how NAC-GAC can motivate the private sector, *Dr. Aigner* noted that NAC now includes six members who come from, represent, or are interested in that sector. He proposed appointing a subcommittee to work on a plan for corporate engagement. Responding to a question on private sector financial contributions to CEC's budget *Ms. Ruiz* said they were allowed as long as they followed certain CEC financial rules. *Mr. Clifford* noted that such funding has potential ramifications that NAC and GAC need to consider carefully. *Mr. Guimond* doubted many companies would fund a quasi-governmental entity like CEC.

Mr. Greene added that two meetings with business organizations from the United States, Canada, and Mexico had resulted in a memorandum of understanding to foster cooperation. All parties are strongly committed to the idea. The challenge now is getting business organizations in all three countries to agree on the most relevant issues to CEC priorities. Capacity issues in Mexico are important, but should the focus be on water quality, human health, air quality, or waste treatment? On general manufacturing or small- and medium-sized enterprises (SMEs)? On creating new mechanisms to improve compliance with existing law, which is a serious challenge in and of itself? It is important to decide on the critical issues from Mexico's standpoint and which issues CEC would like to tackle. Once these questions are answered, NAC and GAC can build on some great work being done by the World Environment Center, such as the Global Environmental Management Initiative and a number of company-to-company activities.

Mr. Guimond said that the committee should look for a quick way to make significant, lasting, and broad changes; step one, for example, could be to use the leverage of multinationals to drive their entire supply chains in Mexico to comply with environmental law, which would greatly benefit the total environment and get the biggest "bang for the buck," compared with focusing on one medium, such as water or air.

Mr. Clifford said that EPA believed greening of the supply chain, part of its Trade and Environment Strategic Plan, has tremendous potential; the committees' advice on how to engage the private sector above and beyond what they are already doing would be key. He and *Ms. Wesson* agreed that a subcommittee could work before the next NAC-GAC meeting, using conference calls and e-mail, to determine how to develop such a profound public/private partnership and assist Mr. Clifford's office in communicating with CEC.

In response to a point by Mr. Huston, *Mr. Clifford* noted that the committee-generated issue paper at the last meeting was a generic framework, on which the committees could build. It might be enough for the United States to announce a major initiative, as EPA cannot control how quickly Mexico and Canada will move on any idea. He expressed concern that Mr. Greene's tripartite group (i.e., composed of the U.S., Canada, and Mexican International Chambers of Commerce), are in sync with NAC and GAC on such an effort. He also noted that both Mexico and Canada were heading into elections and the United States would soon be working with new representatives of those countries in CEC. Nonetheless, he supported NAC and GAC developing a series of recommendations with the goal of announcing a major initiative that attracts the participation of multinationals in an integrated cohesive strategy toward greening the supply chain.

Mr. Wright noted that such an effort had precedents in one of CEC's largest projects, the Partnership's Project for Integrated Environmental Management, a capacity-building project in Mexico that is working with all medium-sized enterprises in Mexico in the pharmaceutical sector and has attracted the interest of a number of companies, including Bristol-Meyers. Another related CEC effort is FIPREV, (a CEC Pollution Prevention Fund) a financing mechanism for assisting small companies to make environmental improvements. Both efforts were described in the committee members' packets. Other related efforts include a North American Green Purchasing Initiative and one on renewable energy. CEC is also building on the pollutant release and transfer registers work in the three countries. Mexico has just brought into play and is working to raise its new RETC (pollution release and transfer registry known as PRTR) to the standards of the United States and Canada. Mr. Wright also mentioned that DuPont and Interface Carpets have used emissions information internally to improve their operations with dramatic results.

Asked how likely was replication and expansion of such an effort in other areas, *Mr. Clifford* said how well CEC through its convening power and the presence of the three environment ministers could motivate companies, for example, to follow the lead of other companies in their sector to green their supply chain, depended on whether CEC could facilitate greening in a way that goes beyond multinationals to SMEs and others.

Mr. Guimond, who represents Motorola, said that large corporations are motivated by a number of factors. First and foremost are their own fundamental codes of conduct or ethics. Most multinationals have pretty good codes. Second, corporations are concerned about their reputations. How will stakeholders perceive what they are doing or not doing? Third, what do their customers expect? Companies are likely to act in order to keep their customers.

Rather than starting from scratch, he suggested that CEC build on what is already being done in order to leverage the greatest results in the shortest time. Look at other initiatives; such efforts are underway in the electronics, telecom, food, apparel, and several other industries. CEC can play an integrating role by scanning the horizon for all that is happening, tying them together to maximize and leverage impact, and building that capacity as rapidly as possible. And CEC can build on efforts not just in Mexico, but in China and many other developing countries. Such an effort will take research on existing initiatives across different segments of industry and brainstorming on how CEC can add value, given the unique con-

tributions and interests of its three major parties. The effort would require a lot of work, but was doable.

Mr. dos Santos was surprised that the profit motive was not at the top of the *Mr. Guimond*'s list of motivators, as well as gaining recognition. The latter was something that CEC could certainly provide. CEC could also educate companies on the financial consequences of poor management of environmental concerns in companies.

Mr. Guimond agreed that information as well as training and capacity building are valuable tools, and CEC can work with educational and other institutions to encourage this. Another clear motivator is when a company like Motorola will only do business with a supplier that complies with environmental laws, which is the essence of greening the supply chain.

Ms. Smyth pointed out that corporations that move into another country can also influence local industry as they build infrastructure in demanding that suppliers use recycled plastic in the carpet, pave with rubberized asphalt, and use paper with recycled content. A focus, not specifically on technology or a sector, but on infrastructure could have a big impact.

Mr. Clifford stressed that the committees define the task as one to be achieved quickly, focusing on getting five to ten multinationals to announce they will adopt a policy that affects their supply chain, and CEC can quantify the impact on public health and the environment. Another step would be to identify universities in Mexico that offer degrees lending themselves to partnering with the electronics industry and its supply chain, that is, to incorporate academia into an effort to build a cadre of knowledge so college graduates transfer this type of thinking into the workforce. The model developed by CEC in other international fora could then help stimulate this type of activity in other parts of the world, for example, for companies looking to expand into Central or South America; part of the Central American Free Trade Agreement (CAFTA) after all is capacity building.

Mr. Greene pointed out, however, that greening the supply chain in Mexico will not reach all companies; the percentage of the country's economy linked to foreign buyers and plants is pretty small, so the vast majority of the Mexican economy will not fall into this net. Company codes of conduct or ethics also cover a range of issues, of which environment is but one. It is important for the committees to identify what additional piece they can add. Encouraging companies of varying sizes to comply with environmental laws is certainly one, but what if they are not adequate? Another piece, therefore, is getting government-to-government dialogue on these issues to ensure the adequacy of environmental laws.

Mr. Clifford wondered what role CEC could play "government to government," including with countries outside North America to broaden the effort. Should the three countries work bilaterally—the United States with China or Canada with China—to green their supply chains in Mexico?

Mr. dos Santos summarized the discussion by saying that a joint NAC-GAC subcommittee should be charged with providing EPA a proposal linked to CEC operations and work plan that is specifically focused on the multitier supply chain among multinational corporations with the goal of implementing an initiative by June. The broader the subcommittee's mem-

bership is, including government staff, the richer and more effective the conversation will be.

Ms. Wesson thought the goal should be to produce a short white paper to turn over to Mr. Clifford and his staff in time for implementation before the next Council meeting or perhaps before the next NAC-GAC meeting in April or May. She mentioned one resource, Small Business Innovation Research Grants, as another mechanism to direct innovative industries to think about some very specific questions on new technologies.

Mr. Collette noted that they should regard this as a pilot project that can help promote a multitier “culture for greening.” CEC can be the facilitator and level the playing field.

Ms. Lile pointed out that the effort can have far-reaching impacts beyond multinationals in Mexico, because of the links that multinational corporations have around the world, for example, Detroit’s small manufacturing sector is part of links between China and Mexico. Decisions by a multinational corporation can go far.

Mr. Wold emphasized the importance of the subcommittee focusing on achievable, replicable results with ripple effects. He also agreed with focusing on companies of a range of sizes.

When asked if the idea would be supported by the U.S. government, *Mr. Clifford* said the committees were on the right track. They need to think about what it will take and what can be announced, working backwards from June to develop a schedule of steps. The committees may need to be flexible on the timing of their next meeting, perhaps advancing the date. He said he could approach any five to ten multinationals that they identify at any time for a meeting, perhaps as early as January, to ask their buy in and to assign a staffperson to work with NAC and GAC to shape the initiative for announcement in June. He made himself available for conference calls with the subcommittee between now and any meeting with companies. In the meanwhile, he and his staff will talk with Mexico and Canada on how they could replicate the process, so three different proposals can move forward with different segments of the private sector.

Ms. Wesson then introduced Dr. Eric Terrill from the Scripps Institution of Oceanography, who was invited to speak on one of the three pillars of the Pueblo Declaration, information for decisionmaking, specifically the Global Earth Observation System of Systems (GEOS) in which the United States and a series of international institutions have been investing heavily. Dr. Terrill is one of several, very mindful leaders thinking about these issues. He is specifically working on the marine environment and how the assets of the Federal government and local and state institutions can be put to use to assist decisionmakers in understanding changes in the natural environment and natural resources and their use.

Information for Decisionmaking
Eric Terrill, Ph.D.

Dr. Terrill introduced himself as one of the directors of a broad-ranging ocean-observing program in Southern California. The Pueblo Declaration directly refers to GEOS and how such a large system contributes to real-world day-to-day applications. He began his talk with a slide presentation during which he made a number of broad points.

Scripps is looking at how to translate science on the marine environment into easy-to-use products to assist in different kinds of decisionmaking. Displaying a map of the Southern California coast, he noted how easy it was to see the extreme urbanization in the L.A. basin and along the border in both San Diego and the Tijuana-Santa Barbara region. About 25 percent of the coastal population of the entire United States inhabits Southern California alone. An estimated \$10 billion a year is linked directly to healthy coastlines, both from the real estate industry and the tourism industry.

The map showed the complexity of the time-varying and space-varying nature of the coastal ocean. One of the scientists' objectives, *Dr. Terrill* said, is to understand the variability of the ocean through long-term measurements, that is, looking at human impacts superimposed on a time-bearing noisy signal. He then described how agricultural scientists in the Midwest are looking at using global positioning satellites to promote "precision agriculture," in which satellite imagery can help farmers determine the best places and amounts for fertilizer on a meter-by-meter basis. This approach has applications in coastal zone management, where a "one-size-fits-all" approach may not work effectively.

By understanding the physics of the ocean system, one can interpret some of the variability in the ocean. A range of classes of information—from atmospheric models and meteorological measurements to satellite and remote sensing to measurements of circulation—can be used in the coastal zone for a variety of purposes, for example, the impact of ocean climate changes over time on fisheries. Scripps' ocean-observing system has several elements: monitoring compliance of people who have permits to operate in the coastal zone, pursuing knowledge for its own sake, educating agencies to begin using new types of data information systems in their everyday activities, and serving as an honest broker of information for decisionmakers. The observing system provides very good information for all sides in discussions of, for example, water quality impacts in the region and across borders. For example, the system can get better resolution on a multiplicity of pollution sources for people who have to make management decisions so they can identify where to put resources to clean them up.

A set of antennas is being installed along the Southern Californian and Mexican coast to measure and map the circulation of the ocean. Why is this important or useful? "Tunneling" into the ocean's surface at high resolution might determine how a boat on search and rescue during an oil spill could transit more efficiently or where a plume from a river might be transported. Ordinary management decisions might also need to take into account the complexity and variability present in the ocean to avoid unexpected results during implementation of a management plan. From an ocean physics perspective, the ocean-observing system allows measurements of the ocean at the needed time scales, given the kind of extreme variability taking place. Scripps has developed real-time access to this kind of data for local managers who serve as first responders in the public health community. Agents use this information to guide when they should be sampling, instead of just going on a prescribed two-

week or monthly basis. California is serving as a model for the Integrated Ocean Observing System (IOOS) on state and federal partnerships to install this kind of infrastructure so that places along the coast have access to this kind of information.

Dr. Terrill then reviewed a number of other tools that scientists are using in ocean research: (a) online mapping tools, for example, public-friendly tools people already use, such as Google maps, that allow people to access the water quality information that these agencies gather that would otherwise collect dust as paper reports, (b) remote sensing, which uses radar to derive ocean circulation measurements to, for example, assess how a plume is distributed in space (c) translation of historic research and data into online databases, which are helpful in measuring long-term climate trends, (d) modeling, for example, forecasting how a constituent in the water, such as DDT or oil, is progressing as a function of time and concentration. The latter are being used not only on ocean circulation, but more broadly on the land, ocean, and atmosphere interaction of systems.

Scripps actually comprises 11 institutions and collaborates with many others, including some that are federal. IOOS is an interagency effort with an interagency program office that includes representation by EPA and ten other federal agencies to plan for implementing coastal observing systems around the United States. Scripps is just one of many IOOSs in the country. A consortium of IOOSs along with the Pacific Coast Ocean Observing System—a multinational program looking at the California current—are now pushing the U.S. National Oceanic and Atmospheric Administration (NOAA) to begin putting into place an entire IOOS coastwide system.

Ms. Wesson then opened the floor to questions, to which Dr. Terrill had the following responses:

Scripps receives its funding from the State of California, NOAA, and some local sources. Some of these sources are integrated. Different federal agencies support The Ocean U.S. framework, primarily NOAA, and Scripps is also encouraging EPA to get more involved. Scripps interacts with the regional and state water quality boards, for example, in San Diego. The programs funded by the state have been a joint partnership with the State Water Resources Control Board. The State now has a data-sharing policy on new discharge permits in digital format, so the data can be integrated with other data. Scripps answers to an “internal metrics” to assure that sources of funding received are neutral resources with no requirement, for example, for Scripps to serve as expert witness.

Scripps’ ocean-observing system creates a four-dimensional picture that covers space and time. Looking at intermittency is not only a societal, but academic interest, because of the complexity of these systems. Part of this work involves modeling for climate forecasting, both short and long term, recognizing that the ocean plays a role in the climate in Imperial County or the snow in the Tahoe region. The Energy Commission in California is sponsoring groups, such as Scripps, to do climate models to forecast snow packs and rate of snow melt for power and agricultural issues. These programs do not typically resolve the ocean to the level needed for fisheries management.

Dr. Terrill agreed that such data become scarcer across the border with Mexico, so coordination with Mexico and Canada in the long term is important. This will be driven by U.S. funding and U.S.-based concerns, as no coordinating body exists to accelerate this type of activity. *Ms. Wesson* noted that harmonization of data and systems is squarely within the mission of CEC.

In response to a question on whether an organization comparable to the New England Governors/Eastern Canadian Premiers existed for southwestern states and northern Mexico, *Mr. Carrillo* responded that the ten U.S. and Mexican border states interact regularly in many ways on a multitude of topics. Every year the ten Border Governors convene a conference of senior-level agency head delegations to discuss various topics, including environment. Extensive technical collaboration among environmental management agencies between the two countries also exists, for example, on air quality monitoring and collaboration for plans and action and on water quality mitigation. *Mr. Martinez* also mentioned the efforts of the Western Governor's Association along the U.S.-Mexico border. CAL EPA has also been proactive in working with counterparts at three levels on the Mexican side, and EPA has funded several programs on water quality monitoring.

NAC and GAC committee members then broke for lunch.

JPAC Report-Out

Jane Gardner, JPAC Chairperson

(1:30 PM)

When NAC and GAC reconvened for the afternoon, *Jane Gardner* introduced herself as the current chair for the Joint Public Advisory Committee (JPAC). This position alternates each year by country; next will be Mexico's turn and the following year Canada's.

JPAC is part of the North American Free Trade Agreement's (NAFTA's) side agreement on NAC with five high-level appointees each from the United States, Mexico, and Canada. JPAC's members are diverse, representing multinational companies, nongovernmental organizations (NGOs), states, business, academia, among others. They meet three times a year to incorporate the public's interests in the impacts of trade on environment, covering a number of issues, for example, children's health or genetic corn. JPAC is running a symposium on trade and environment in November. JPAC is assigned by charter to provide information to the Secretariat and Council members that the public wants them to take into account in their deliberations on trade and environment and also issue advice to the Council (see the JPAC website at cec.org).

Ms. Gardner then reviewed three topics with committee members: First, JPAC held a meeting last week on the Mexican funding issue in Mexico City with 70 attendees mostly from the Mexican public. JPAC presented a strategic plan it is developing that will appear soon on its web site and for which there will be a 30-day public comment period. Second, she discussed JPAC's strategic plan, which arose from CEC's Strategic Plan of a year ago. Based on its own review and the strengths and weaknesses evidenced in the independent TRAC review commissioned by JPAC and from communications with the ministers and the public,

public, JPAC opened a public dialogue on how well it was serving the public's interest. JPAC produced its strategic plan based on three pillars—transparency, outreach, and engagement. All of this is on the JPAC web site or can be obtained by e-mail or telephone from the Secretariat in Montreal.

In the process, JPAC received kudos for open communication and its role in facilitating a public process that includes all sides, including indigenous communities. JPAC also received criticism for lack of focus, not targeting specific issues, and trying to do too much with unmeasured, vague results. JPAC members themselves decided they had erred on the side of too formal communications and should emphasize better communication and more personal dialogue with Council members and heads of environment ministries in the three countries.

JPAC hopes the strategic plan will increase transparency in its and CEC's decisions, increase outreach to the public, and overcome language and media barriers, such as more limited electronic communication in Mexico. Participation in JPAC activities has been good. JPAC does finance some travel for attendees at meetings, but the public in North America is generally unaware of JPAC activities.

By the end of this month JPAC hopes to incorporate feedback on the strategic plan draft to make it more specific with realistic tasks and timelines and put it out again for public comment. JPAC will review it again in the middle of the five-year plan.

JPAC members learned in Mexico City that Mexico had withdrawn its commitment to contribute their full \$3 million to CEC and offered, she thought, \$1.2 million instead. A representative of SEMARNAT at the meeting had assured them that Mexico would make its full contribution, both this year and in future years. Mexico had asked the other countries to cut their contribution to match Mexico's, so that Mexico would not be at a disadvantage; the United States and Canada are discussing this. *Ms. Gardner* urged NAC and GAC in their advice to the government to support full funding, as cuts would greatly affect JPAC's work.

JPAC's next session will be in Montreal, November 29–30, in conjunction with an Environment and Trade Symposium. All NAC and GAC members are welcome to attend; summaries of the meetings will appear on JPAC's website and in various CEC publications.

Arturo Duran, who was the Commissioner of the Interstate Water Boundary Commission, has left JPAC, leaving an empty U.S. seat, which Mr. Clifford is working to fill. Carlos Rincon from Mexico has also resigned and been replaced by Gaston Luken, a well-respected environmentalist. In December JPAC will appoint a Mexican chair for 2006.

Presentation on Charge Questions

Nadtya Ruiz, EPA

Ms. Ruiz introduced herself as a CEC team member who works for Sylvia Correa and Jerry Clifford. She updated the committees on the alternate representatives' meeting in September and then raised four topics: budget, publications, working groups, and the private sector.

The meeting, which took place in Montreal in September, primarily discussed the 2005 and 2006 operational plans. The reps decided to make the plan more concise, only including tri-laterally approved project descriptions and their budgets in 2005 and updating them for 2006, but also covering results and performance indicators. The plan would be produced by the end of November or beginning of December, but certainly before the end of the year. The reps also approved the Trade and Environment Strategic Plan and signed Council Resolution 05-07 (available on CEC web site) on the Article 13 report proposal to not go ahead on transboundary environmental impact assessments.

The reps also discussed funding of the budget for 2005, reiterating the need to understand budget and expenses better with particular concern for transparency and accountability. They asked the Secretariat for options on cutting expenses in terms of percentages and how activities would be affected. The reps also discussed initiatives to involve the private sector in CEC. The Business Round Table could be the start of such an initiative; however, the reps expressed concern on how budget issues would affect such an effort. Private sponsorship might help move the initiative forward, which CEC financial rules apparently allow.

Ms. Ruiz then turned to the first of the four topics: budget reform. CEC team is working directly with the Secretariat to ensure a new information management system meets the Council's needs. The target is improved budget reports and better transparency by January 2006. It is hoped this will lead to annual budget reports with much more detail to assess effective use of resources better. The reports will summarize major budget categories as well as detailed expense information. She asked NAC and GAC for suggestions on budget report models; they are currently evaluating the detailed budget reports of UNEP and NADBank.

In answering a number of questions from committee members on the budget, *Mr. Wright* said that other than the 32 percent of the budget for salaries of CEC's 55 staff and 5 percent for rent, the rest is devoted to the work program. The budget is broken down into \$7.7 million for CEC operations (covering program and mandated CEC responsibilities and salaries), roughly \$1.4 million for institutional support (covering the logistics of Council and JPAC meetings and support staff), and \$2 million for overall administrative support (including rent, legal advice, accounting, overhead, and so on, not related to projects). So the bulk of the budget is to implement work and conduct CEC functions. He noted that CEC is a complex and expensive organization.

Ms. Ruiz added that the information management system now under development would get started in January so that financial information can be collected for 2006. *Mr. Wright* noted that an operating financial system has already been in place and generating all required information, but information management is being improved in order to assure the parties that it exists and is robust. He clarified why the budgets for the three categories add up to more than government contributions. Each country is contributing the equivalent of \$3 million in Canadian dollars, but the total figure is US\$9 million. He also explained the budget line for the Mexican office. It was originally set up as a liaison office to ease contact with CEC in

Montreal for Mexicans, both NGOs and government. The office later started taking on project responsibilities, especially implementation consulting, for example, the Partnerships Project, which works with SMEs on electronics; a new companion project on conservation issues; and work on DDT.

Ms. Ruiz then discussed publications reform. CEC team sometimes has not known about reports published by the Secretariat. It has also not been clear who needed to approve these publications, when, and for what kinds of projects. She referred to the draft publication procedures for all publicly released documents, which had been included in committee members' packets for their review. They intended these procedures to ensure consistent treatment of documents in a transparent manner, using quality assurance methods on their review before publishing. They also want early Council "buy in" to avoid last minute review. She asked committee members for their input on whether the draft procedures would accomplish these goals and, if not, how to change them.

On the third topic, working group reform, *Ms. Ruiz* noted that the alternate reps did not have time to discuss the issue, but they would appreciate any advice committee members had on the subject. It is believed that the working groups need evaluation in light of the Pueblo Declaration and new priorities established for CEC. Five Council-created working groups exist on biodiversity, trade and environment, enforcement, air, sound management of chemicals, and other ad hoc groups on such topics as pollutant release and transfer registers (PRTRs). They consist of technical experts from each of the three governments. The groups were established by concurrence of all three countries, but at different dates, responding to different Council needs and priorities. The 10-6 Trade and Environment Working Group is the only one specified by the North American Agreement on Environmental Cooperation (NAAEC) itself, and the others were created by the Council.

Canada wishes simply to confirm the working groups' role as advisory to the Council, as opposed to representing the Council; they would then be asked to advise when needed. In contrast, Mexico would dissolve the working groups and create new ones for each of the three pillars: decisionmaking, capacity building, and trade and environment, organizing members of current working groups among the three. The United States would create the same new pillar groups, but maintain the current groups as cross-cutting technical expert groups to support activities. She asked NAC and GAC committee members for their reactions to these proposals, which all assume that all projects will be implemented as approved. Dissolution, revision, and creation of any working groups requires the consensus of all three countries.

In answering questions from committee members, *Ms. Ruiz* said that the impetus for changing the working groups arose from the desire to get the organization to align better with the Pueblo Declaration. The need for advice from some working groups may not exist, no projects occur in a particular area of expertise. She also explained that working groups that had been specifically created by the Council had received the authority to act as representatives and in essence had served as the Council's voice in particular expert areas.

Responding to a question on working group costs, *Mr. Wright* noted that addition of three working groups would certainly create additional expense, in terms of travel and meeting

costs of bringing people from across North American together. Travel costs are paid by the governments; CEC pays for meeting costs. *Ms. Ruiz* noted that the alternate reps approved funding of only two face-to-face meetings a year for Council-created working groups.

Regarding how working groups function, *Mr. Wright* said that one rotating chair typically leads each working group, although this varies. Depending on how the groups were constituted, some do report to the Council in an advisory fashion; others, such as the Sound Management of Chemicals (SMOC) working group, provide the Council with instructions.

The committee members then entered into a wide-ranging discussion of all four of the topics raised by *Ms. Ruiz*. Committee members commented as follows on budget reform:

Mr. Wold argued that the level of detail in the budget that the United States had put forward was extraordinary. He strongly urged the United States to simplify this information. In contrast, *Mr. dos Santos* had many questions on how money was spent, for example, on contracts, office rent in Mexico City, publications, and information technology and thought that next year's budget could be more complex, so that American taxpayers could see if funds are being used appropriately. *Mr. Greene* considered the budget process to serve as a conversation between the Council and staff. No one has expressed concern about financial mismanagement, but the financial system must be in place so people can get information they need.

Ms. Ruiz said that each year CEC must justify its spending and results to Congress, so financial information is needed to fulfill these requests. *Mr. Wright* thought Congress was making a reasonable request, but it has been difficult to nail this information down in 2005. He said that 2005 would be a year of transition and they will start earlier on reporting costs.

Regarding publications reform, committee members had the following responses to *Ms. Ruiz*' presentation:

Mr. Greene saw the goal of publications reform to be removing problems in getting reports out and putting in place a system in which it was clear which reports speak on behalf of whom or are issued on whose authority. He made a suggestion that could also apply to working group reform, that is, maintain flexibility in the process, for example, by contacting people only when needed for review and approval and using e-mail as an alternative to official face-to-face meetings. *Ms. Ruiz* reiterated, however, that face-to-face meetings of working groups helped maintain trilateral relationships, so could not be based solely on actual need.

Mr. Collette and *Ms. Lile* concurred with *Mr. Greene*'s points. *Ms. Lile* added that recommendations by the parties on publications and working groups should be dealt with together. Issues of representation compared with providing advice are bound up in the issue of who speaks for whom and how the words get spoken. *Mr. Greene* said he was comfortable with the publication recommendations as helpful in solving some problems. Accountability is important; publications need to go through an approval process. *Mr. Wold*, however, regarded the U.S. proposal on publications as seeking approval for anything that gets published.

Ms. Ruiz responded by saying that it is important to ensure that the right information appears in CEC publications and that the right people are consulted on publications to avoid the need for damage control later down the line or disclaimers that such and such is not the view of the parties. Readers of CEC publications view the information as approved by the three parties; CEC publications should, therefore, truly represent EPA and U.S. views.

Mr. Wright said that CEC publications do vary; not all are reports that must be approved by the governments, for example, Article 13 reports. In addition, most CEC reports are based on advice from a variety of areas and stakeholders. He suggested a “topology” of reports that clearly describes the kinds of treatment different reports need to receive. The parties had appointed a committee of information experts this past year to guide development of a quality assurance framework, not solely restricted to government reports produced.

Mr. Wold concurred with *Mr. Wright*, saying that the governments do not need to approve public disclosure of documents that the text of NAAEC charges the Secretariat to prepare. It is fine to insert whether the governments participated in the preparation of a document, but the Secretariat cannot be compared with a government agency; in many ways, the Secretariat is independent, just like other international institutions that govern treaty operations, which do not need to ask approval of member governments for certain activities.

Regarding working group reform, committee members had the following responses:

Ms. Serrato thought it seemed counterproductive to keep all the working groups, rather than assimilate them under working groups for the three new pillars. *Ms. Ruiz* noted that not all working groups would be kept under the U.S. proposal, just the major Council-created groups that have been really helpful in their subject matter.

Mr. Wright asked committee members to keep four points in mind: First, it is important to consider the roles of the working groups in light of the TRAC report, which addressed roles and responsibilities of the principal entities of CEC (Council, JPAC, and Secretariat); addition of new structures to an existing structure can complicate accountabilities, relationships, and transfer of information, and so on. Second, the costs of these working groups must be considered in light of the diminishing budget. Third, given that CEC’s mandate is public transparency, the working groups, whether advisory or representative, are in fact government-populated entities. Fourth, the many working groups do vary greatly in mandate and purpose; many of them were created on a project-specific, initiative-specific basis and have clear beginnings and endings.

Mr. Guimond considered CEC as a whole to have a very complex set of interrelationships, many more than needed. If, however, one of the purposes of the working groups is to maintain networks among senior government officials, perhaps it is all right to keep these networks going, but they should be lined up with CEC’s current priorities and simplified overall. It is important to get all the right people together, but not one more, or the machinery gets bogged down. Given their tiny budgets, it is also important that the groups focus on what they can actually accomplish and leverage other resources to solve challenging cross-border environmental issues.

Mr. Wold concurred, but was concerned that simplifying the structure of the working groups would kill the work of CEC with process. Maintaining the working groups as bodies that make decisions also takes away from the Secretariat's independence. The more control the Council has, the slower the process for getting good information to the public.

Ms. Lile pointed out that any working groups mandated by charter, for example, enforcement, are required, whether they fall under one of the three pillars or not. If they do not, their relevance to the Council's work should, of course, be reexamined.

The committees then turned their attention to private sector involvement in CEC's work program. *Ms. Ruiz* first described the 2005 Business Round Table at which government and NGOs had discussed successful partnerships with business. At the 2005 Council session, the alternate reps also met with leaders of business associations. JPAC also held a public workshop on the needs and opportunities for capacity building among private and nonprofit sectors and on Council Resolution 05-06, which formalized CEC's intention to collaborate with the private sector and find the best ways to achieve that goal. The United States proposed holding three conferences to design and implement partnerships with the private sector: the first to develop strategy, the second to engage with private sectors that fit best with the work program, and the third on implementation, lessons learned, and engaging other sectors as the work plan changes. The original goal was for the conferences to conclude by May and reported on in June.

She asked committee members if they thought this plan would encourage private sector involvement, if they could suggest names of person who could move the initiative forward, and what other projects or programs should be involved? How does one attract the private sector? Committee members should also feel free to contact her directly by e-mail or telephone at any time with ideas.

Mr. Greene noted that such a discussion was scheduled for Friday, but his initial reaction was to discourage the idea of a series of three conferences, compared with devoting more of the resources to activities that actually involve the private sector.

Ms. Ruiz and *Mr. Wright* then spent a few moments responding to a request by new members for clarification of relationships among the Council, Secretariat, and JPAC. The Council, which represents the three governments together, comprises high-level representatives of environment ministers from the three countries. *Mr. Clifford*, for example, represents EPA Administrator Johnson. Under *Mr. Clifford* is GSC, the staff-level steering committee supervised by *Sylvia Correa*. If GSC cannot solve a problem then, it raises it with *Mr. Clifford*. Working groups supposedly report to the GSC, but sometimes go to the Secretariat; that is why new policy is needed on lines of reporting. The Secretariat facilitates the work program, sometimes through its staff and sometimes through consultants. The Secretariat also organizes all meetings. JPAC represents public opinion; the Council mandates action; and the Secretariat helps fulfill those mandates. Sometimes the Secretariat is prescribed specific responsibilities, for example, through Article 13: "The Secretariat is provided the ability to develop a report on a subject independently, as long as it is within the work program, or related to the work program. The Secretariat also is responsible for receiving and developing

factual records on submissions on enforcement matters, independently of the parties. And the Secretariat provides logistical support to the parties for Council meetings, JPAC meetings, and the like.”

Mr. DeLeon suggested that future NAC and GAC meetings begin with orientation or even a summary sheet for new members, particularly on reporting requirements.

Operational Plan Status

Doug Wright, CEC Secretariat

Mr. Wright began his presentation by congratulating the group for being a significant part of the impetus for the newly developed strategic plan for CEC. Three years ago, NAC and GAC had stressed the need for a more results-oriented, streamlined, and focused approach. The Secretariat and the three parties then embarked on a long process, starting with TRAC, which confirmed the need and led to the Pueblo Declaration, which identified the three new priorities of the commission. As a result, CEC staff structure, projects, and budgets were re-aligned. Because of exchange rate changes, the budget also changed dramatically and the staff shrank, which compelled CEC to start working differently. It adopted a team approach. The Secretariat has a solid but small group of expert staff now working in a much more integrated way on the suite of projects that the Pueblo Declaration and strategic plan lay out.

Mr. Wright noted that he had never seen a dollar stretched as far as it is within CEC. Consultants on projects generally sign contracts for much less than people normally command. Why? Because CEC offers work with which consultants wish to be associated. They want to contribute to something larger than what the three countries can do separately; this has produced remarkable results.

The Council approved the new strategic plan last June in Quebec, which now guides program development. The draft operational plan, found within attendees’ packets, lays out in detail a suite of projects and their goals within the three pillar topics.

Within information for decisionmaking, the North American Environmental Atlas will be the basis for disseminating a variety of information on a continental scale. It is a digital atlas that brings together the three atlas programs of the United States, Canada, and Mexico. On this base map, CEC can then project work on biodiversity, air emissions, and water pollution, and generally illustrate continental trends with time. The map will be the basis for periodically providing citizens of North America with information on the state of the environment. *Mr. Wright* handed out pocket-sized versions of the map to committee members.

Topical work on this pillar includes air quality, a major concern of all three countries. This includes marine air emissions, particularly on the west coast, which constitute a huge proportion of the atmospheric emissions of contaminants in North America. CEC can help represent the nature and extent of this problem and depict it on the continental map. CEC’s biodiversity information—delineation of biologically sensitive and priority areas will also be superimposed on this map. The Taking Stock Report, now published annually, integrates and analyzes pollutant release and transfer information collected separately by each gov-

ernment to make country-to-country comparisons available to a broader audience and can also be superimposed on this map. This report has already advanced Mexico's participation in providing pollutant release and transfer information. Mexico just brought into play its new RETC their version of the American Toxic Release Inventory (TRI) and Canada's National Pollutant Release Inventory. Mexico will now be reporting on 50 contaminants, a list that with time should grow. CEC also just announced a North American Monitoring Program for contaminants in human blood. All this information can find its way onto this continental map and in so doing stimulate debate, discussion, and action on hot spots and problems that CEC and the governments themselves, other partners, NGOs, and so on could address. It is all a matter of harmonizing the way in which this information is generated and presented.

Regarding the second pillar on capacity building, CEC is very oriented to pollution, particularly in Mexico. One of its three components is work with companies to improve the environmental performance of their supply chain, including SMEs. Three principal pharmaceutical companies in Mexico have already started work on this. This clearly has relevance to Mr. Clifford's desire to build an initiative to announce at the next Council session.

Responding to a request for more detail on this effort, *Mr. Wright* said that this year's work focuses on securing the participation of companies, which now include Bristol-Meyers Squibb, Colgate-Palmolive, Janassen-Cilag, and Clarion. CEC has had initial meetings with these companies and a number of their suppliers. A first step would be to help the companies do inventories, provide them tools to improve environmental performance, do audits, and so on. He welcomed advice from NAC and GAC on the best approaches and sources of tools. A similar component of this Partnerships Project is in electronics, but this has been postponed due to the budget situation. Mr. dos Santos asked that any summaries of meetings with the pharmaceutical companies be sent immediately to enrich committee discussion on Friday.

A companion project on biodiversity, proposed by the Secretariat, will take one of the biologically diverse areas in Mexico identified in the biodiversity strategy and work with local people to conserve ecosystem integrity and the species within it. The project will emphasize community and local government involvement and capacity building in the long term, for example, on a habitat important for migratory butterflies or birds valuable to all three countries. Due to budget constraints, the project will start next year as a nice complement to the pollution project with SMEs. Other related work, requested by the Mexican government, will direct training of wildlife enforcement officers and stakeholders on the borders to improve enforcement of restrictions on trade in endangered species.

Committee member packets describe all CEC projects, which have reduced in number from between 30 and 40 to just 14, as a result of strategic planning and the Pueblo Declaration.

Regarding the third pillar on trade and the environment, Mr. Wright described several other projects. One promoting the North American market for renewable energy will look for barriers and opportunities for improving this market for systems, products, and so on to make it more fluid. A second related project will work to improve markets for green products and services. The North American Green Purchasing Initiative will serve as a purpose-built ad-

visory group for this project. Such working groups comprise specialists from across North America to help design the project and its implementation, assess results, and so on. A third project concerns trade and enforcement of environmental laws to facilitate smoother transfer of legal goods and services across the border and prevent illegal trade. A fourth project is a cooperative effort by the three countries to reduce environmental and economic harm caused by invasive alien species. The project focuses on specific species, identifying the risks of their transit from one country to another and how to cooperate in controlling them. A fifth project is CEC's continuing analysis of environmental implications of trade on the environment, which has involved numerous studies. CEC first developed an assessment framework and then conducted studies in specific sectors on possible impacts. Broader studies have indicated that the dire predictions on the impacts of NAFTA have not come to pass. Work now concerns finding opportunities to support freer and more sustainable trade in an environmentally friendly way. CEC will have a symposium at the end of November in Montreal on this topic, organized jointly with JPAC.

Mr. Wright concluded by saying that CEC is not doing more with less, but less with less. CEC's budget has contracted with time. A number of programs—for example, the North American Fund for Environmental Cooperation, which gave grants to environmental groups, and the Children's Health and Environment Program have been dropped due to financial constraints. The final report on children's health and toxics will come out in January or February of next year. Work on financing in the environment has also been dropped. In addition, the work of the biodiversity working group is coming to a close. CEC will continue to play a role in stimulating and catalyzing work by others, but will be handing off most efforts in which it has engaged to others, for example, getting its conservation action plans for terrestrial species and marine species in as good a shape as possible, so other institutions and NGOs can work with them. Other work that is winding up is some DDT work by the Mexico office. The Council agreed that the existing work of the Sound Management of Chemicals Program would be completed within the next five years. Continuing work on a North American monitoring system for toxic chemicals will continue as part of the information for decisionmaking pillar.

It has been difficult for CEC to move forward with approved projects this year, due to the less than settled budget, but *Mr. Wright* expressed pride in what CEC has accomplished despite the uncertainty. Almost everything the Council decided to do in 2005 has at least been initiated, with a few exceptions. He then continued earlier discussion on working groups by saying that the working groups have created a constituency within the governments for a North American perspective on issues with which officials must deal on a national basis, whether biodiversity, or sound management of chemicals. But he understood the need to now ask what will drive CEC's new agenda? The principal bodies of CEC—Secretariat, JPAC, and Council—were created for a purpose with interrelated and complex roles and responsibilities. The issue of representative versus advisory roles has implications for how easily work can get done, who is responsible for what, and how to ensure accountability for results. CEC is trying to link projects with the three new priorities to get the biggest bang for the buck, but it is difficult to “balkanize” those projects to be managed by different groups in an efficient way and still meet overarching objectives of the strategic plan.

Regarding financial information, CEC has a solid system in place; it is the issue of reporting that is of concern. CEC needs to stick with involving the right people, getting the right information, at the right time, with the right frequency. It should be as much as is needed to manage and no more. He also asked that requests for financial information be as precise and consistent as possible and reflect real needs. CEC's small staff can only do so much.

Regarding the private sector, CEC has much experience working in this arena and is currently working on supply chains as well as other areas. Opportunities exist in conservation and CEC's financing work with banks. *Mr. Wright* said he would like to communicate better about CEC's work with the private sector by producing an accurate synopsis of it.

Mr. dos Santos asked, if Mexico considers the work of SMOC on DDT so valuable, why its proposal for reorganizing working groups does not keep SMOC under one of the pillars? Simplifying working groups under the three pillars is not the complete answer.

Mr. Wright responded that it is the small task groups under SMOC that have been doing the heavy lifting. Although past working groups have done terrific work, they have also had problems working together. So, with a new agenda, it is important to decide on what mechanisms are needed to achieve these new purposes, one of which is to inform people internally. Another is to get expert advice on project development and implementation, which is pretty straightforward: get the best people you can find wherever they are in North America. So, purposes and mechanism need to be defined, relative to the objectives and goals of the organization, and the three country proposals are competing options.

Mr. Guimond said that simplification means ad hoc groups that come together and disband as needed. In addition, cutting back to one full- or half-time person on a project can mean doing nothing at all, because that person will spend half their time just answering the telephone. It is important to link resources available with what can actually be accomplished.

Ms. Coronado asked *Mr. Wright* to describe the work of the Mexico City office and its DDT work again and asked how many satellite offices CEC needed. *Mr. Wright* responded that it had seemed a good idea at the time, primarily because Mexico City is so distant from Montreal, compared with Washington, and because needs and culture in Mexico are different.

Ms. Wesson thought that CEC did not put enough effort into tracking and documenting its successes. She had heard about CEC efforts in other contexts, for which it had not received sufficient credit. She asked if the committees could assist in any way on that.

Mr. Wright noted that the performance measurement work *Ms. Ruiz* described should help articulate results, but that the strategic plan did not define results, just a list of projects against priorities; they have recognized and are working on this gap. He has also initiated a program of project evaluation, although budget limits have made communication of the results difficult. *Ms. Wesson* noted a section in the operational plan for 2006 on success stories and that the parties had proposed a working group that is taking on the issue of document policies. Could the committees use that in their advice on publications and reports? *Mr. Wright* said that for space reasons the success stories along with portions on evaluation are being removed from the operational plan, which they hope to approve at the end of Novem-

ber. Regarding quality assurance, part of the expert working group's task regarded publications. They produced a framework document that the parties had not formally approved.

Mr. Wright and *Mr. dos Santos* then responded to a few questions on the parameters for establishing and disbanding of the various working groups.

Mr. dos Santos concluded the day's meeting by recognizing and thanking Rafael DeLeon and Oscar Carrillo for their support and leadership, as well as Ms. Bradley and Gerry Brown for all their work behind the scenes over a long period.

(5:06 PM)

FRIDAY, OCTOBER 21, 2005

Plenary Session

(8:45 AM)

Mr. dos Santos opened the initial plenary session in which the two committees briefly discussed logistical details on expense and evaluation forms, the afternoon field trip, and potential meeting dates and locations for 2006. The two committees then split into separate breakout sessions for GAC and NAC.

Mr. Carrillo first provided some context regarding NAC/GAC meeting dates and locations. The two committees meet twice a year, following the rhythm of CEC deliverables. The spring meeting provides advice for the June Council session. The fall meeting provides advice on the operational plan, which must be approved no later than December 1. Some NAC/GAC members also join the chairs at the June Council session, where the chairs report to JPAC, although this is not a formal NAC/GAC meeting. The NAC/GAC committees once met in a variety of locations, but more recently meetings have tended to be in Washington, D.C., because of the convenience of meeting with U.S. government officials as well as the opportunity for senior Administration personnel to present their perspectives.

Mr. dos Santos added that non-Washington meetings also had budgetary implications. He then suggested that the committees decide on firm dates and locations, identifying volunteer organizers at those locations with Washington as a fall back position.

Mr. Collette noted that given *Mr. Clifford's* desire for a deliverable in June on private sector involvement, it made sense to meet in Washington where the Business Round Table also usually meets at the end of April. The committees then discussed specific dates and proposed meeting again on April 6–7 in Washington, D.C.

Ms. Coronado then invited the committees to hold their fall meeting in El Paso Ciudad Juarez and New Mexico, where she and *Ms. Smyth* could arrange useful field trips and meetings with experts on border issues. Three members then volunteered to assist in planning (*Ellen Smyth*, *Irasema Coronado* & *RJ Dutton*). *Dr. Dutton* pointed out that alternating between DC and some other location each year might be a nice pattern to establish. *Dr. Aigner* noted the possibility of videoconferences to address the issue of travel distance. *Mr. DeLeon* said

that timing does not make a difference in limited travel dollars at the end of the fiscal year. The committees then chose meeting dates of October 19–20. Other locations might be in Nogales Sonora, where *Mr. Guimond* said Motorola has a large facility, or Juarez, which has a number of multinational facilities. Ms. Coronado said she may be able to arrange a visit to a *maquiladora*, although it is getting more difficult to do so.

Dr. Dutton said he would actually like to see a component that focuses on industrialization at the border, because of its geopolitical importance and the impact on the 2,000-mile border of 30 years of building of *maquilas*.

Mr. Guimond mentioned an organization called Keystone that has used the El Paso area for several years as a case study on engaging corporations and other stakeholders; they have many contacts with NGOs active on both sides of the border and might facilitate activities.

Mr. dos Santos noted that the committees had already met twice in Texas and not yet in Arizona. Border issues in Arizona were every bit as complex as those in Texas. However, a bigger team seemed willing to organize something in Texas. The two committees, therefore, decided to locate the fall meeting in Texas.

Ms. Wesson then concluded the meeting by presenting the book *Earth from Above* to Mr. Mahfood and Mr. Knox, who was not present, in appreciation for their work as chairs of GAC and NAC. The committee members then broke into separate GAC and NAC sessions.

(9:30 AM)

Breakout Session: Government Advisory Committee

(9:37 AM)

Mr. dos Santos opened the meeting by introducing Stephen Mahfood, the outgoing GAC chair, who spoke about the past system of crafting committee comment letters.

Mr. Mahfood described a fairly simple process in which the committee tries to focus quickly on a set of key issues. After the committee adjourns and with assistance from *Mr. Carrillo* and *Mr. Collette*, he would immediately try to formulate wording that reflects not only the facts, but the committee's feelings, which becomes the outline of a draft advisory letter. Mr. Carrillo might add some bells and whistles and necessary bureaucratic language. The chair then shares the letter with committee members to ensure the correct emphasis and that nothing has been misrepresented or left out. The process has worked pretty smoothly in the past.

Regarding timeframe for committee comments on the draft, *Mr. dos Santos* suggested a two-week period for comments solely from GAC members sent as e-mail to *Mr. Carrillo*. This allows input from members who could not attend the meeting.

Mr. dos Santos then asked members for topics to discuss that morning, noting that their advice must be completed by 11:00 AM. Committee members suggested first addressing the private sector questions raised the previous day, but also publications responsibility and accountability, working groups, and budget reform. *Mr. Huston* noted the importance of also

answering questions raised by new members on Thursday as well as ones they may not have thought of, before launching into developing advice. *Mr. dos Santos* suggested addressing the easier ones first and reserving close to an hour to discuss private sector engagement.

The committee, therefore, turned to the question: “Are the publication procedures proposed by the U.S. adequate to accomplish our goals of ensuring transparency consistency, early Council buy-in, and quality assurance in the publication of CEC documents?”

Mr. Collette first provided more background on the issue. A couple years ago, some EPA contractors raised a question on the validity of results produced in the Secretariat’s maize report. The report was issued, but the Administrator objected that the report did not represent EPA’s position, even though the report was attributed to EPA as one of the three parties of the Council. This resulted in a push to strengthen publication and accountability procedures, so representatives to the Council do not find themselves in this position again.

Mr. Mahfood responded to questions on specific CEC publications by saying that CEC does not produce an annual report, although it does an annual audit, due to tensions among participants and the long search for a new executive director. CEC does produce a short executive director’s report describing key components of CEC’s work plan.

Ms. Lile then expressed concern that the proposed publications procedures were overly formalistic and prescriptive and would not work, because the failure was in communications internal to EPA or the other parties and a lack of clarity in roles.

Ms. Smyth suggested modifying the proposed procedures to flow in an orderly manner. She would place section C first and then section A. Section D is the overbearing part and should be modified to omit I through III. She agreed to write up her suggestions to be dropped into the committee’s advice letter. *Ms. Serrato* disagreed with eliminating section D, but the part that says “cooperative work program publications” should become “all publications.”

Mr. Mahfood noted how frustrating it had been for all involved at different levels to grasp the many publications produced by CEC from working groups, subgroups, and so on.

Mr. dos Santos suggested that they give EPA a chance to redirect CEC on publications and if it does not work in the next year, the committee could then weigh in.

Mr. Duffy agreed that EPA should be able to approve having its name on any one CEC publication, but this should not prevent its publication. CEC should be encouraged to retain a degree of independence, and the United States should recognize it has the opportunity to provide minority commentary later. *Mr. Collette* added that the degree of independence the committee recommends cannot exceed what is spelled out in NAAEC. *Mr. dos Santos* suggested that the committee support CEC maintaining a degree of independence, but in the meanwhile encourage EPA to assess the degree of independence shown by CEC in various publications.

Mr. Scott supported EPA’s wish that CEC publications not hold any surprises when published, but wanted to ensure that EPA and other parties not hold veto authority, particularly

over technical or scientific analysis. *Mr. dos Santos* added that this would require better communication between EPA and Secretariat staff. *Mr. Collette* believed that EPA only wished earlier buy-in, not a veto and that accountability was still important. *Mr. Soto* felt there should be a clear chain of command on publications, that is, what you write has to go to which people.

Mr. Huston added that committee advice on publications should be linked to working group composition as part and parcel of the same issue: expression of views that are not necessarily authorized by the parties. In addition, a quality assurance protocol should be attached to each kind of document produced on its review and testing. There is nothing wrong with prescriptions, as long as they are not overbearing. *Ms. Lile* continued to believe, however, that the procedures were overly prescriptive and not worthy of CEC. It is standard practice to add disclaimers; leave section D, and scrap the rest.

The committee then moved on to discuss budget reform. *Mr. dos Santos* supported EPA's wish to know how CEC is spending the financial contributions of the parties and to have higher expectations for the budget. *Mr. Collette* also favored budget accountability, particularly as this information is needed in order for EPA to get the money to fund CEC.

Mr. dos Santos indicated that EPA has repeatedly sought better budget information and that CEC already had models on how to present it more effectively. His only suggestion was that CEC include a matrix on programs versus time, that is, what happens to budgets with different activities in the next three years. *Ms. Serrato* offered to forward the budget model of an EPA program called the Coastal Bend Bay and Estuary Program. *Mr. Duffy* said that he would like to see more performance measurements on efficiency and effectiveness.

Mr. dos Santos thought that EPA simply wanted the committee's endorsement of more detail so that EPA knows what is going on. Sending models to CEC is a waste of time. He asked the group whether the committee's advice should instead answer the question that EPA should have asked: does the committee endorse EPA's request for more detail?

The committee then turned to the question of working groups. *Ms. Smyth* first summarized what she understood to be the consensus from the previous day's meeting: that, if written into the resolution, it is a standing working group; if it is not, but necessary to the objective of a project, the Secretariat should have the power to hire or pull together an ad hoc committee. When the deliverable is completed, the ad hoc committee ends. *Mr. Huston* agreed, saying that the life of ad hoc committees should track the program element; however, for some reason, CEC has found it difficult to bring some of these committees to a close or hand the work off elsewhere. *Mr. Carrillo* noted as an example the 10(6) group, which was created to clarify 10(6) procedures, but metamorphosed into a committee to guide CEC's trade and environment work.

Mr. Huston continued that, due to funding limits, CEC simply cannot develop something and then manage it in perpetuity. CEC and working groups need to identify to whom they can eventually hand off work. *Mr. dos Santos* summed it up by saying that CEC needed to institute a closure process for at least some working groups.

Mr. Wennberg considered the problem to be a standard issue for organizations like CEC, and the standard solution is a sunset provision, that is, such groups should have a time, as much as financial, budget on what they deliver. Exceptions might include the pillar working groups; he thought the Mexican proposal to place working groups under each of the three pillars made a lot of sense from an organizational perspective. A sunset provision would go into effect, unless someone made an effective case for reauthorization. Several members of the committee concurred with this idea, where it was legally feasible, as they recognized that some working groups represent ongoing work mandated by the NAAEC. *Mr. Wennberg* concluded by saying that if CEC work coming to an end on a defined schedule is generally agreed to be important, it should continue under some other organization; if no one picks it up, it should perhaps not be continued.

The committee members agreed to endorse the use of working groups for each of the three pillars, although the purpose of working groups for the two pillars other than trade and environment was not clear. Other working groups needed to work under sunset provisions, although *Mr. Soto* noted that in his experience, sunset provisions simply cut off work before it was adequately completed. *Mr. dos Santos* responded that sunset provisions should be used, not simply to end a project, but to review the group's mission statement and accomplishments and decide whether to renew its mandate. *Ms. Serrato* asked that the committee receive a flow chart of CEC's organization that clearly indicates who answers to whom and how the working groups relate to the work plans of each pillar.

Mr. dos Santos considered the discussion to be a perfect segue to the committee's next topic—private sector involvement. NAC and GAC have struggled with this topic for a long time, because the committee had not received a clear and workable objective. He thought the committees had made progress the previous day by narrowing the objective to announcing involvement of multi-tiered supply chains for multinational corporations.

Mr. Wennberg suggested the committee recommend a recognition documentation and dissemination program, similar to ones he knew of in Vermont. Such a program could be organized fairly quickly and serve as a serious motivator for companies. It could consist of recognizing certain companies who are already involved in greening their supply chains in June and then disseminating information on their efforts through case studies published on a web site on the nuts and bolts of how these companies did it, the problems they encountered, and how they solved them. Other companies interested in doing the same could thereby learn from these examples. The web site could be promoted with other companies, who could receive assistance on making the same effort. The approach is one of leadership by example, rather than regulation.

Mr. dos Santos thought the idea was outstanding. He reminded the committee that their goal that morning was to flesh out ideas and craft advice as a proposal to EPA. He suggested that they advise EPA to shape such a recognition program and that a GAC subcommittee was ready to flesh it out with them by such and such a date. That would give the subcommittee time to really exchange ideas. *Mr. dos Santos* further asked whether GAC volunteers for this subcommittee could also propose alternates from their staff, to which *Mr. Carrillo* agreed.

Mr. Collette mentioned that a business subcommittee had formed as a result of the trade conference last April and suggested including a GAC member on that committee to avoid duplicating efforts. He further stated that there were other possible programs beyond recognition that could be implemented to green the supply chain.

Mr. dos Santos noted that the private sector is motivated by recognition and by money. But EPA is really looking to motivate the private sector to devote its own resources—time, people, in-kind contributions, as well as money—to help change conditions. However, GAC and NAC need to develop a single proposal and a single subcommittee to push this forward.

Mr. Wennberg stated that nothing would happen by June, if they did not decide on what would be done within the following 30 days.

Ms. Lile agreed with *Mr. Collette* that the business perspective was essential to any such program. Companies look to government for support on communicating to the public. Business needs to come up with the program, but government can help make the program effective.

Ms. Smyth suggested that *Mr. Wright* provide them more information on CEC's work with pharmaceutical companies. *Mr. dos Santos* suggested that the Secretariat as well as business leaders, such as from national chambers of commerce in the United States, Mexico, and Canada, also be engaged in the effort, at least down the road as technical advisors.

Ms. Serrato and *Dr. Dutton* both thought the effort should begin as a border effort of benefit to both countries, taking advantage of existing relationships on the U.S.-Mexican border and consider it as an incubator for a larger effort in North America.

Mr. Huston cautioned the group that even a recognition program is not easy or quick to organize, based on his experience on one involving EPA and Texas. To respond to the general question of involving the private sector in CEC's three pillars, he suggested beginning by listening to key multinationals on what they are already doing in this area, because he knew a lot of initiatives existed. His point was not to define a program and then find companies that fit into it, but rather base the program on what is already happening on green supply chains.

Mr. dos Santos expressed surprise that NAC members had not vented frustration on Thursday about the lack of EPA interest in attending the Private Sector Roundtable, at which the private sector presented outstanding examples of their efforts around the world. He concurred with *Mr. Huston* that any effort by CEC to green the supply chain should be driven by the private sector, and OCEM should capture and distribute summaries and get reactions to them.

Ms. Serrato pointed out that greening the supply chain was actually more pervasive than it sounded. Not only did it impact SMEs in the supply chain, but also other companies, which they supply, making the impact more of a mesh than a chain.

Ms. Lile said that greening the supply chain is a significant issue for companies that goes to their bottom lines, because they cannot put their company at a competitive disadvantage. It is important that government, as well as business, drive the process to provide imprimatur and enforcement, so that, for example, a company makes changes across the board.

Mr. dos Santos pointed out that it is JPAC that will actually lead this effort, so it would be helpful to have a JPAC member on the subcommittee.

Mr. Carrillo concurred with *Mr. Huston* and *Ms. Lile* that governments now need to do their homework. He could think of ten multinationals working to green their supply chains, including Avid Laboratories, 3-M, DuPont, Motorola, Colgate-Palmolive, Kodak, and GE.

Ms. Serrato wondered if any model had yet been developed for use in other sectors?

Mr. Huston and *Mr. Carrillo* agreed that stakeholders should meet to generate more dialogue if there was to be any kind of concrete presentation in June.

Mr. dos Santos then asked for volunteers for the GAC-NAC subcommittee, receiving positive responses from *Mr. Wennberg*, *Ms. Lile*, and *Mr. Collette* as *Ms. Lile*'s alternate. *Mr. dos Santos* said he would also ask *Mr. Martinez* to join. *Mr. dos Santos* then said he would meet with NAC to share GAC decisions and find out what they had decided regarding private sector involvement. He thanked GAC members, and the meeting was concluded.

(11:44 am)

Breakout Session: National Advisory Committee

(9:44 AM)

Ms. Wesson opened the meeting by presenting the four topics for which EPA had asked the committees' advice: budget, working groups, publications, and industry. She suggested a fifth—operational plan—related issues and CEC results.

The group agreed that the introduction to NAC advice to EPA should commend the Office of International Affairs on improved preparation for the meeting in terms of posing questions and presenting issues and also CEC for focusing on and following up on NAC advice. *Mr. Guimond* noted the advantage of not having met in Washington, where the committees might have had access to more officials, but probably much less of their time.

Asked for clarification of EPA's response to committee advice in the past, *Ms. Wesson* said that EPA response, when received, comes in two forms: input from EPA at the meetings themselves and formal written response to NAC's written advice. She thought the committee should just give the best advice it could without thinking about whether it is implemented.

Dr. Aigner liked the idea of comprehensive follow-up on past NAC advice in terms of what EPA actually did in response. This might be an appropriate effort by *Mr. DeLeon*.

The committee then turned to the question of budget reform. *Ms. Wesson* reiterated the general point that the proposed procedures reflected a level of management the group had not seen before. *Mr. Guimond* and *Ms. Chapman* both thought that the committee could add very little to EPA's request for resilient reporting models; what was needed was dialogue between EPA and CEC to determine the level of detail both sides found useful and appropriate. *Mr. Wold* noted that some of the proposed detail required would keep the Secretariat busy all year trying to comply; this might be okay for the U. N. Environment Programme, whose budget was mentioned as a model, but CEC was far smaller and less complex.

Mr. Guimond thought the real issue was that some money had been spent in an inappropriate way and EPA had to report to Congress and did not always have enough information. CEC needed a comprehensive system of reporting financial information to provide what was needed, but governments needed to recognize that huge amounts of time devoted to a gold-plated reporting model would not be spent on environmental protection.

Mr. Perez and *Mr. Guimond* agreed that CEC should focus only on reporting what was actually needed to assure Congress the money was being spent efficaciously; anything that did not meet basic requirements was a waste of time. *Mr. Greene* added, do not try to revamp or build a completely different accounting model. *Ms. Wesson* agreed; she had had no problem finding what she was interested in in the budget documents.

Mr. Greene pointed out that the issue was really a matter of trust between EPA and CEC. Everything was fine for ten years, but now EPA believes that money not being spent for what it was allocated, so now wanted all the details. *Mr. DeLeon* agreed with this assessment, but added that a variety of reasons probably led EPA to press for more detail. It is not that funds have been misused, but EPA may not agree on how they have been used.

Mr. Greene added that the budget, publications, and working group issues all raised the issue of trust between at least one party and the Secretariat and probably arose from fallout from the maize report, described earlier. The introduction to NAC advice should note the lack of healthy dialogue and trust among the parties at all levels that diverts everyone's attention from implementing program. *Mr. Wold* agreed that the issue was one of control and really an attempt to micro-manage.

Several committee members then clarified what had happened with the maize report. Article 13 allows the Secretariat to propose publications and the Council to reject the ideas with a two-thirds majority. The idea for the maize report had presumably been approved by the Council and went through some kind of peer review, but EPA had had a problem with the report's findings and conclusions and how it had been produced. "Someone" had approved the report for EPA, but not necessarily the person Mr. Clifford and staff would have wanted. So the question was really whether Mr. Clifford and his staff should serve as official gatekeepers for such publications.

Committee members began to discuss whether this should be the case, but *Ms. Wesson* pointed out that they needed to return to the budget issue first. *Mr. Greene* reiterated that the publications issue simply reflected a common theme running through all EPA's requests for NAC advice during the meeting: control or tension with the Secretariat, which they could

address in the introduction. *Ms. Coronado* added that in her experience specific issues, such as the maize report, often reflected broader realities of organizational relationships. She noted that U.S.-Mexico bilateral relationships were not simply a matter of environmental issues, but also immigration, labor, security, trade, and infrastructure. Any one issue between the two countries can sometimes be tempered by other issues. Environment is a “soft” political issue at the bottom of the agenda, because other issues gain more saliency. You have to see it as part of the larger bilateral relationship.

The committee then returned to discussion of NAC advice on budget issues. The committee agreed to express concern about deterioration and shrinking of the budget with time and the difficulty of finalizing a budget without knowing how much of it is funded. Committee members discussed how the United States should address a possible cut in the Mexican contribution. *Mr. Guimond* suggested saying that NAC believed the U.S. government should work with its counterparts toward continued funding at historical levels; the U.S. government should—and encourage its partners to—stay the course. *Ms. Coronado* replied that Mexicans would simply point to its other priorities and needs and the border budget should be seen within a larger regional setting. She and others did agree, given the transboundary impacts of industrialization in northern Mexico, more resources were needed on border issues.

Mr. Wold proposed that the United States not cut its funding in light of any Mexican cut and, thereby serve as a role model. Various committee members then pointed out that the United States and Canada cannot make up for any Mexican cut. Mexico had proposed that the other two parties cut their contribution commensurately to maintain an equal partnership. Equal contributions are actually mandated by Article 43 of the agreement.

Ms. Chapman suggested that the now defunct North American Fund for Environmental Cooperation (NAFEC), an extramural funding program, be resuscitated. *Mr. Wold* said that the fund had played an important role in funding community-based initiatives on both sides of the border, not filled by larger foundations. *Ms. Chapman* proposed that their advice note that it was unfortunate this funding is no longer available. *Ms. Wesson* had heard that it was a really important capacity-building mechanism and agreed it should be mentioned, saying that NAC advice had historically played a role in continuing to mention issues that might otherwise disappear from view. *Mr. Greene* broadened the idea to suggest that CEC collect information on access to different grant sources doing environmental projects. *Mr. Guimond* suggested that CEC could direct groups to an environmental grant makers association, a consortium of organizations and foundations that fund such efforts.

Mr. Wold returned to NAC’s broader advice on the budget, suggesting something simple: in terms of budget shortfalls, the rules should be changed to make it easier for the Secretariat to seek external funds.

The committee then discussed the value of NAC advice on revising Article 43. If one country cuts its contribution, the entire budget is reduced by all parties; this is the only international agreement for which this is the case, but ensures that no one party dominates the organization, even though the voting structure remains one country, one vote. *Mr. Guimond* noted that a Mexican budget reduction to only \$1 million would reduce the budget to \$3 million, effectively eliminating CEC as an organization. *Mr. Greene* noted in that case that

the parties would be under great pressure to do something. The committee members agreed not to suggest that the United States pick up the slack in the budget, but encourage the United States to make Mexico feel comfortable.

The committee then turned to discussion on working groups. *Mr. Greene* pointed out that other actors in the debate on working groups were the members of the groups themselves; they are also lobbying their alternate representatives on the role of working groups—for their groups to continue and/or get additional funding for various projects. His main point, however, was that working groups should flow from the work plan to implement projects, so the process to establish such groups should be as flexible as possible.

Ms. Wesson suggested that they forget the three proposals from the parties, which were poorly written and start over on exactly what each working group should be doing, following the famous “conveyor belt” example, in which these groups eventually end their work or hand it off to some other group outside CEC. She thought the same approach should be taken with their attached advisory groups. Give the Secretariat the ability to reconfigure the groups as needed.

Mr. Guimond reminded the group of the other function that *Ms. Ruiz* described for working groups, that of networking and information exchange among the three countries, which is a valuable function in CEC. *Ms. Wesson* said that these groups could also figure out some other way for these professionals to keep the dialogue going than through CEC. *Mr. Perez* noted that the Pueblo Declaration had drastically changed the business of CEC to information communication and capacity building. It is a classic story: you change from making planes to submarines, and then everybody tries to put wings on the submarines.

Mr. Guimond continued that EPA liked some of the working groups as an opportunity to get together, get to know each other, and do some other things, but that *Mr. Wright* was concerned about the cost and administrative burden of carrying all the working groups.

Mr. Greene suggested that some working groups, for example, the biodiversity group could end their tenure, but house a listserv on the topic for the three governments at CEC to continue some of the dialogue at no cost.

Mr. Guimond summarized the discussion in saying that NAC should suggest that EPA first rethink how to make working groups as efficient and effective as possible and, second, identify other vehicles for facilitating information exchange from networking.

Mr. Wold added that having advisory Councils turn into ongoing “mini-Councils” just complicated EPA’s struggles on figuring out how the various agencies nest and who is making final decisions. It got back to *Mr. Greene*’s point on flexibility.

Mr. Greene said the Secretariat should shift from formalized working groups to a flexible system of purpose-built groups for different activities, but it is the parties’ obligation to figure out who is doing what and the Secretariat’s responsibility to set up procedures so people understand who is doing what. *Mr. Guimond* agreed, saying that the Secretariat has such little time and money, it needs to minimize the care and feeding of working groups.

Ms. Wesson summarized the committee's agreement that NAC should advise EPA that the Secretariat should set up terms of reference for any working group, tied either to a pillar or something else they have defined. She then raised the issue of lines of reporting. She was inclined to think that working groups should report to the Secretariat and if the Council needs to know their positions or policies on any issue, it should find a mechanism to do so.

Mr. Greene noted that this would not constitute double line reporting. Participants in a working group to provide expert advice on behalf of the United States should let Mr. Clifford and his staff know that the working group reports to the Secretariat. Mr. Wold suggested advising EPA to create clear means of communication within EPA so the Secretariat communicates to a specific person at EPA and their counterparts in the other countries. That person can then figure out who should be on that working group.

Mr. Perez stated that his boss has a "no surprises" rule. If you get involved in a committee, it is your responsibility to let your higher-ups know.

Mr. DeLeon asked whether the Secretariat finds experts for working groups it wants to create or does it have to ask the three parties to appoint the experts? The difference in the two approaches is critical.

Mr. Guimond described the more formal working groups, for example, the air working group, which consists of the heads of the three air agencies for the United States, Mexico, and Canada and never meets. The actual work is trickled down to somebody a few notches lower. Ad hoc working groups look around for expertise on particular work projects and feed it into the Secretariat, which it then uses. This is much less formal a framework than feeding each government's advice to the Secretariat on some subject. The problem with the maize report is that it never went through an official blessing by the three governments, although it was advisory. *Mr. Wold* added that both kinds of working groups are mandated by Article 11 in the agreement.

Ms. Chapman thought that the Secretariat should be left to decide who they need to convene in a working group and issues about reporting through official channels should be worked out by group members with their respective agencies. She did not think it was up to EPA to dictate which people the Secretariat should use.

Mr. Wold said, however, that if the Council sets up a working group, the terms of reference should include who is contacted to join the group.

Ms. Coronado asked whether consideration of potential members included some kind of credentialing process to assure technically competent, not just political, appointees. Several committee members agreed that their advice should recommend this, although *Mr. Guimond* thought it might create too much machinery. She also asked if members had to come from EPA or more generally from the government. Members of Council-constituted groups do have to be government officials, but not necessarily from EPA.

Ms. Wesson expressed amazement that it was so dangerous for the Secretariat to serve as a catalyst in putting together information. *Mr. Greene* said it was a matter of transparency. Any officially constituted or ad hoc group should have a described and short scope, and the list of these groups and their members should appear on CEC web site for anyone to find—EPA staff, outside groups, and so on.

Mr. Guimond reiterated that each working group should have terms of reference that are standardized for the formal big-picture groups, any standard working groups, and any ad hoc groups. He and other committee members summarized the discussion by saying that a continued role for working groups existed, but probably not the ones that exist now. CEC needs to rethink them in terms of the pillars and find a way to designate who is a member and terms of reference. The terms of reference should designate both whether a working group represents the three governments and, therefore, reports back to the Council, or whether it is just an ad hoc advisory group that reports back to the Secretariat. CEC should rethink current working groups and follow a model in creating new ones. *Mr. Perez* added that the advice should state that this is a problem designed into the charter and structure of CEC, that is, two bodies can create ad hoc groups.

The committee then turned to discussion on publications reform. *Ms. Chapman* expressed uncertainty about language in the proposed publications procedures mandating disclaimers that a publication does not reflect the views of the Council or the parties, but the views of the Secretariat. *Mr. Guimond* thought the intent was simply to clarify who agreed with the publication's content, but may be a moot issue as reports are going to be fewer and farther between due to money issues.

Committee members reviewed again history on the maize report. *Ms. Wesson* explained that the United States added a disclaimer in their opening letterhead, saying it did not agree with the contents. Then, Canada and Mexico both added notes. She considered the whole thing to be rather silly. She considered the disclaimer language presented in the proposed procedures to be very confusing and complicated. She had asked *Mr. Clifford* what multilateral institution had budgetary and publications operations that he liked and he answered UNEP.

Mr. Greene thought disclaimers were all right, and they could fine tune the language later. *Mr. Wold* agreed, saying that disclaimers could be useful, because they showed that reports, especially Article 13 reports, had not been subject to political tampering.

Several committee members thought what was needed could be written in just a couple sentences within the document itself. *Dr. Aigner* said he was not qualified to know the legal implications of the disclaimer language and would have been more comfortable discussing it if he had seen the UNEP publication rules and regulations that *Mr. Clifford* liked. He also would have liked hearing what *Mr. Wright* and *Bill Kennedy* thought about the issue. *Ms. Wesson* noted that the Council had instructed an ad hoc group of experts to develop guidelines on publications and asked *Mr. Wright* to send these to NAC, which should probably consider them before providing advice to EPA.

Mr. Greene summarized group sentiment on the disclaimer issue: NAC supported the intent to eliminate questions on for whom different kinds of publication speak. Committee mem-

bers debated, however, how to interpret the slight variations in language of the disclaimer. Article 13(30 says “shall release unless . . .” whereas paragraph 4(c) of the proposed procedures states “shall not release unless . . .” The effect is the same, but not the tone and creates a presumption of nondisclosure versus a presumption of disclosure. The committee members did agree that A, B, and C all basically say to just follow Article 13, probably because EPA thinks that the article is not being followed. *Mr. DeLeon* thought it was all overkill. The only thing they need to say is either we release and then you can release, or we say do not release and then you cannot release. *Mr. Guimond* clarified this by saying that both the Secretariat and the Council have a process that they do not want the contractor to interfere with.

Mr. Perez said that the question they needed to answer was whether the procedures were transparent and will the procedures fix the problem? *Mr. DeLeon* said the issue was do you want to encourage release of documents when the parties or CEC has not acted within 60 days? He thought they should be released in that case. The process automatically allows for that, so *Ms. Wesson* asked why the language was needed? *Mr. DeLeon* suggested that the language read that no one shall release a report prior to expiration of the 60 days contained in Article 13. *Mr. Guimond* added that, at that point, only the Secretariat had the right to release the report, not the contractor.

Ms. Coronado pointed out that “early Council buy-in” was not clear, as anyone could change their mind if the document or research is showing something with which a party may not agree. She asked where the veto points were in the process? *Mr. Greene* noted that the Secretariat should not spend six months writing something, if, in the end, the United States or Council blocks the publication because they either do not like the content or do not understand its sources enough to support it. So, instead, the parties should be kept abreast of what is going on so they can avoid having to block it later.

Mr. Greene summarized discussion that although the committee supports the objective of clarifying the nature, author, and audience of reports and under whose authority they are released, the committee has concerns about specific areas in the procedures, in terms of voting to release documents, that deviate from or are redundant in terms of the agreement itself. *Mr. Guimond* thought all that was needed was for number 4 to say that Article 13 reports should all follow the Article 13 process as laid down in the agreement.

Several committee members asked *Ms. Wesson* to coordinate with *Mr. Wright* to see what guidelines the Secretariat has already worked out as well as other Council guidelines from the expert committee and find out some of the reasons that these procedures restate things that already exist in guidelines and the agreement.

Mr. Guimond thought the redundancy was an attempt to avoid leaving holes. It probably is a bit over the top, but they wanted to cover every possibility. *Mr. Perez* reiterated that the issues were not about publications, any more than the budget issue is about the budget, or working group issues are about the working groups; it is all about control. Did the procedures make the process transparent, and will they help? He thought not. *Mr. Greene* agreed that the procedures are overly complicated and could be streamlined to be consistent with the agreement, but the technical piece—up to page 3—was needed. *Ms. Wesson* added that that part was in fact covered in NAC’s last advice letter.

In conclusion, *Ms. Wesson* thought she had enough to draft something for the committee's reaction and turned the committee's attention to the next issue: industry partnerships.

Several committee members thought they had covered this topic quite a bit already in the joint meeting. But *Ms. Coronado* made a few suggestions that first involved encouraging industry partnerships with universities, for example, dissertation awards or funding master's degree theses on research in greening of the supply chain. Encouraging students to do this kind of research would help change the entire infrastructure in Mexico. She cited the example of Business Fulbrights, which help Mexican students to work as interns in Mexican businesses. The idea could, for example, be expanded to fund reciprocal international student internships between Mexico and the United States. Mexican educational institutions are also interested in cultivating working relationships with U.S. institutions. She also suggested that some industries could do simple projects, such as hosting or giving teacher incentives for community science fairs in border communities. All these ideas bring industry and communities together. *Dr. Aigner* reacted favorably to her ideas, adding that they help answer the question on specific activities CEC should encourage. He thought the U.S.-proposed conferences, however, were not useful.

Committee members reiterated earlier discussion that NAC and GAC should form a subcommittee to develop a strategy for corporate engagement as a white paper to move things forward. *Mr. Greene* emphasized, however, that part of NAC's advice should be that EPA work with the parties and Secretariat to create an activity that CEC can carry forward on an ongoing basis, so that it does not just end when the United States loses chairmanship. *Mr. Guimond* agreed that it was important that the initiative be truly a Secretariat project. *Mr. Greene* also noted that it was important not to rush to have an announcement in June if it cannot be done right in that time.

At this point, *Mr. dos Santos* entered the discussion by presenting how GAC had also struggled with how to ensure CEC's work on greening the supply chain is recognized and integrated. GAC suggested a joint GAC/NAC committee that included technical advisors, someone from the Secretariat to give advice on existing work, someone from JPAC because it will need to endorse it, as well as key industrial representatives. GAC thought a NAC member should lead the effort.

NAC members, however, wanted a smaller subcommittee that could work quickly to conceive the objective and framework for gaining private sector involvement and then reach out to private sector organizations. *Mr. dos Santos*, therefore, suggested that the subcommittee include at least one GAC and one JPAC representative, although GAC's advice letter will emphasize the importance of involving Secretariat staff as well for their experience and relevance. *Mr. Wold* did ask that part of NAC advice be for the United States not to move ahead on its own on the initiative and to work with the Secretariat.

The NAC committee then turned its attention to discussion of the operational plan. Committee members wanted to preface their advice on the plan by saying that, although it was becoming more streamlined, it should include more accomplishments. *Ms. Wesson* suggested that the Secretariat keep better track of accomplishments to help countries understand the

value of the organization. It was important not to lose track of them, because they can become important in the future for different reasons. *Ms. Chapman* suggested putting this information on the web site instead. Committee members agreed in general, however, that the operational plans and budgets have not in the past adequately described what is being done and often include superfluous information, such as projects that are being delayed or not even funded. Removing this kind of information would further streamline the plans. *Mr. Greene* considered the plans to be a terrible communications tool. Even if they simply represent the planning process, the text should serve a dual purpose in conveying to a wider public what is being done.

Ms. Wesson summarized the points that should be made in NAC's advice: operational plans need to be timely and clearly state results and accomplishments. She will draft text for the NAC advice letter with assistance from any member who offered it as well as their feedback to the draft. She then concluded the meeting.

(12:20 PM)

ATTACHMENT 1: NAC AND GAC MEMBERS & EPA OFFICIALS

GAC Committee Members

Chip Collette, Florida Department of Environmental Protection

John Duffy, Mat-Su Boroga

Ronald J. Dutton, Texas DSHS

Lisa Gover, National Tribal Environmental Council, Albuquerque, New Mexico

Bob Huston, Texas Commission on Environmental Quality (outgoing member)

Sarah D. Lile, Director, Department of Environmental Affairs, City of Detroit

Stephen Mahfood, GAC Chair, Director, Missouri Department of Natural Resources

Ricardo Martinez, Senior Policy Advisor, Border Affairs, California EPA

Placido dos Santos, Border Environmental Manager, Arizona Department of Environmental Quality

Bob Scott, New Hampshire Department of Environmental Services

Carola G. Serrato, South Texas Water Authority

Ellen Smyth, City of El Paso

Colin Soto, Tribal Cultural Advisor, Cocopah Tribe

Jeff Wennberg, Vermont Department of Environmental Conservation

NAC Committee Members

Dolores M. Wesson, Chair, University of California, San Diego

Dennis J. Aigner Ph.D., Donald Bren School of Environmental Science and Management, University of California

Michael L. Andrews, The Nature Conservancy, Durham, North Carolina

Karen M. Chapman, Environmental Defense, Brownsville, Texas

Irasema Coronado, University of Texas at El Paso

Adam Greene, U.S. Council for International Business

Richard J. Guimond, Motorola, Inc.

John Knox, Pennsylvania State University law professor (outgoing chair)

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